

Message Text

CONFIDENTIAL

PAGE 01 LUBUMB 00193 080929Z

13

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
----- 040108

R 080845Z DEC 76

FM AMCONSUL LUBUMBASHI

TO SECSTATE WASHDC 1937

INFO AMEMBASSY KINSHASA

AMEMBASSY LONDON

AMEMBASSY LUSAKA

C O N F I D E N T I A L LUBUMBASHI 0193

EXDIS

E.O. 11652: GDS

TAGS: PFOR CG AO

SUBJ: BENGUELA RAILROAD

REF: A. LONDON 19241, B. SECSTATE 293176, C. LUBUMBASHI A-52

1. WHILE CONSULATE NOT AN ACTION ADDRESSEE FOR REF A AND B, WE HAVE RECENTLY COMPLETED A STUDY WHICH FOCUSES ON LOCAL TRANSPORTATION PROBLEMS (REF C) AND BELIEVE SOME OF INFORMATION MIGHT BE USEFUL INPUT.

2. ACCORDING TO ITS DIRECTOR, ZAIRE'S NATIONAL RAILROAD (SNCZ) HAS SUFFERED SERIOUS LOSSES AS A RESULT OF CLOSING OF BENGUELA RAILROAD IN AUG 1975. ZAMBIAN TRAFFIC CROSSING ZAIRE EN ROUTE TO ANGOLA HAD PRODUCED 25-30 PERCENT OF RAILROAD'S REVENUES IN 1972-75 PERIOD AND WAS MAJOR SOURCE OF COMPANY'S FOREIGN EXCHANGE. BECAUSE OF HIGH RATE OF THIEVERY AND VARIOUS INEFFICIENCIES, NATIONAL ROUTE HAS BEEN ABLE TO ABSORB ONLY SMALL PERCENTAGE OF ZAIRIAN TRAFFIC FORMERLY USING BENGUELA ROUTE. MOST OF FORMER BENGUELA TRAFFIC HAS BEEN DIVERTED TO SOUTH. LOCAL BANKER ESTIMATED THAT SNCZ ZAIRIAN TRAFFIC DOWN 27 PERCENT FROM LAST YEAR. FOR SNCZ, PROBLEM IS THAT DISTANCES FROM ZAIRIAN COPPER-BELT TO ZAMBAN BORDER ARE SHORTER THAN TO ANGOLAN BORDER. ACCORDING TO SEVERAL SOURCES, SNCZ CURRENTLY FACING DESPERATE FINANCIAL SITUATION, ATTRIBUTABLE MOSTLY TO CLOSING OF BENGUELA ROUTE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LUBUMB 00193 080929Z

3. CONSULATE ESTIMATES THAT MORE THAN HALF OF GECAMINES COPPER

EXPORTS NOW EXPORTED VIA SOUTHERN ROUTE AS CONTRASTED 8 PER-CENT IN 1974. ALL OF SODIMIZA COPPER PRODUCTION HAS BEEN DIVERTED FROM BENGUELA ROUTE TO SOUTHERN ROUTE. GECAMINES HAS APPROX 90,000 METRIC TONS OF ZINC INGOTS STOCKPILES IN KOLWEZI AND ZAIRE'S MAGANESE COMPANY HAS APPROX 500,000 METRIC TONS OF MAGANESE ORES STOCKPILED AT KISENGE; BOTH AWAITING THE REOPENING OF THE BENGUELA RAILROAD. ZAIRETAIN, WHICH SUFFERED DISASTEROUS YEAR IN 1976 FOR OTHER REASONS HAS DIVERTED ALL OF ITS SHIPMENTS FROM THE BENGUELA ROUTE TO KALEMIE AND ACROSS LAKE TANGANYIKA TO DAR-ES-SALAAM.

4. IN OTHER WAYS, ABSENCE OF BENGUELA RAILROAD HAS CONTINUING DEPRESSANT EFFECT ON SHABA'S ECONOMY. NEARLY CONTINUOUS LOCAL PETROLEUM SHORTAGE DUE IN PART TO ALMOST TOTAL DEPENDENCE ON REFINERY IN NDOLA RATHER THAN SUPPLEMENTARY ANGOLAN SOURCES OF PAST. ONE OF REASONS FOR PUTTING SMTF PROJECT IN MOTHBALLS WAS REPORTEDLY CLOSING OF BENGUELA LINE, PUTTING SOME 7,000 SHABIANS OUT OF WORK. GECAMINES HAD HOPED TO USE BENGUELA ROUTE FOR IMPORT OF HEAVY MACHINERY FOR ITS \$450 MILLION P-2 EXPANSION PROJECT. NOW IT IS USING OTHER ROUTES DESPITE THEIR DISADVANTAGES. SINCE OTHER SHABIAN IMPORTERS WERE TRADITIONALLY DEPENDENT ON BENGUELA ROUTE, CURRENT SHORTAGES AND HIGH COSTS OF LOCAL GOODS THOUGHT TO BE PARTIALLY CAUSED BY SHORTAGE OF ADEQUATE TRANSPORTATION ROUTES.

5. CLOSING OF BENGUELA HAS CAUSED INCREASED DEPENDENCY OF SHABA ON RHODESIA AND SOUTH AFRICA. IN ADDITION TO EXPORTS OF SHABA'S RAW MATERIALS, REGION RECEIVES FROM THE SOUTH, VITAL INDUSTRIAL SUPPLIES SUCH AS COKE, COAL, STEEL, AND EXPLOSIVES AS WELL AS FOODSTUFFS LIKE MAIZE, WHEAT FLOUR, FRESH AND TINNED MEAT, FRESH AND CANNED FRUITS AND VEGETABLES. AS A RESULT SHABA'S ECONOMY IS NOW VERY VULNERABLE TO TERRORIST ACTIVITIES ALONG THE RAILROAD IN RHODESIA. OPENING OF BENGUELA RAILROAD WOULD OFFER OPTION TO CONTINUED DEPENDENCE ON RAIL LINE THROUGH RHODESIA.

6. ECONOMIC PROBLEMS IN SHABA ARE TIED MOSTLY TO CURRENT LOW PRICE OF COPPER AND IT WOULD BE NAIRVE TO EXPOECT INSTANT RECOVERY IF THE BENGUELA ROUTE WERE TO REOPEN. NEVERTHELESS, OPENING OF RAIL LINE THROUGH ANGOLA WOULD GREATLY FACILITATE FLOW OF GOODS TO AND FROM SHABA AND WOULD PROVIDE ALTERNATIVES TO DEPENDENCE ON

CONFIDENTIAL

PAGE 03 LUBUMB 00193 080929Z

LESS RELIABLE ROUTES. LOCAL REACTION LIKELY TO BE RATHER HOSTILE TO CENTRAL GOVERNMENT IF IT BECOMES KNOWN THAT LEADERSHIP HAS STALLED ON RAILROAD OPENING WITHOUT GOOD REASONS.
BORG

CONFIDENTIAL

NNN

Message Attributes

Automatic DecapTIONing: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RAIL TRANSPORTATION, STUDIES, FREIGHT RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 DEC 1976
DecapTION Date: 28 MAY 2004
DecapTION Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LUBUMB00193
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760453-0580
From: LUBUMBASHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761263/aaaacbvrr.tel
Line Count: 111
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: 76 LONDON 19241, 76 STATE 293176, 76 LUBUMBASHI A-52
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAY 2004 by BoyleJA>; APPROVED <13 SEP 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BENGUELA RAILROAD
TAGS: PFOR, CG, AO, ZA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006